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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SUSAN GHAREMANI, an Individual,
Plaintiff,

v.

BORDERS GROUP, INC., a Michigan
corporation;
BORDERS, INC., a Colorado corporation;
BORDERS ONLINE, Inc., a Michigan
corporation;
BORDERS DIRECT, LLC, a Virginia limited
liability company;
PAPERCHASE PRODUCTS LIMITED, a
United Kingdom corporation; and
DOES 1 through 100, inclusive.,

Defendants.

CASE NO. 10-cv-1248-BEN-RBB

**ORDER GRANTING IN PART AND
DENYING IN PART DEFENDANTS'
MOTION TO STRIKE PARAGRAPH 33
AND COUNT THREE OF PLAINTIFF'S
COMPLAINT**

[Docket No. 3]

INTRODUCTION

Before the Court is Defendants Borders Group, Inc., Borders, Inc., Borders Online, Borders Direct, LLC and Paperchase Products Limited's motion to strike Paragraph 33 and Count Three of Plaintiff Susan Ghahremani's Complaint as redundant, immaterial, impertinent or scandalous pursuant to Fed. R. Civ. P. 12(f).¹ For the following reasons, Defendants' motion is **GRANTED IN PART and DENIED IN PART.**

¹ Pursuant to the Court's order, Defendants Borders Group, Inc. and Borders Online, Inc. were dismissed without prejudice. (Docket No. 8.)

BACKGROUND

This case arises from alleged copyright infringement pursuant to the Copyright Act, 17 U.S.C. §§ 101 *et seq.* According to the Complaint, Plaintiff is an artist whose art and related products, particularly Plaintiff's owl designs, are distributed throughout the United States and world. (Compl., ¶ 10.) Plaintiff derives all of her income from the sale of products depicting her artwork, the vast majority of which is from sales of products by third party publishers licensing her owl designs. (*Id.*, ¶ 16.)

On July 9, 2009, through Plaintiff's publishing company, Plaintiff applied for registration of related owl design works, including the Treetops Journal, Orchard Owls Sticky Notes and Little Notes: Musical Notes with the Register of Copyrights. (*Id.*, ¶ 22.) On September 19, 2009, Plaintiff registered the "Classic Owl" design with the Register of Copyrights. (*Id.*, ¶ 19.)

12 Plaintiff alleges Defendants' Cameo product line infringes on her owl designs. Plaintiff
13 alleges United Kingdom Defendant Paperchase, a subsidiary of Defendant Borders, exported
14 Cameo products bearing the infringing designs into the United States for sale by Defendants
15 Borders and Borders Direct. (*Id.*, ¶ 27.) Plaintiff alleges she immediately notified Defendants of
16 the infringement. (*Id.*, ¶ 29.) Nonetheless, Defendants continue to sell and distribute their Cameo
17 products without authorization from Plaintiff. (*Id.*, ¶ 31.)

18 On June 10, 2010, Plaintiff Susan Ghahremani filed her Complaint. The Complaint alleges
19 three causes of action: direct copyright infringement, contributory copyright infringement and
20 inducement copyright infringement. (Docket No. 1.)

21 On August 4, 2010, Defendants moved to strike Paragraph 33 and Count Three of the
22 Complaint. (Docket No. 3.) Plaintiff filed an opposition, and Defendants filed a reply. (Docket
23 Nos. 7, 9.)

DISCUSSION

25 Defendants' motion is made pursuant to Federal Rule of Civil Procedure 12(f) and on the
26 grounds that Paragraph 33 and Count 3 are redundant, immaterial, impertinent and scandalous, as
27 well as prejudicial.

Under Rule 12(f), the Court may strike from a pleading "any redundant, immaterial, impertinent, or scandalous matter." Fed. R. Civ. P. 12(f). The function of a 12(f) motion to strike

1 is to avoid the time and cost spent on spurious issues by dispensing of those issues prior to trial.
 2 *Fantasy, Inc. v. Fogerty*, 984 F.2d 1524, 1527 (9th Cir. 1993), *rev'd on other grounds*, *Fogerty v.*
 3 *Fantasy, Inc.*, 510 U.S. 517 (1994). Courts will grant motions to strike if the allegations have no
 4 possible relation to the controversy and their presence in the pleading will prejudice the moving
 5 party. *Fantasy, Inc.*, 984 F.2d at 1527; *Friedman v. 24 Hour Fitness USA, Inc.*, 580 F. Supp. 2d
 6 985, 990 (C.D. Cal. 2008). However, motions to strike are disfavored because such motions are
 7 often viewed as delay tactics and because of the Court's policy favoring resolution of claims based
 8 upon the merits. *Stanbury Law Firm v. I.R.S.*, 221 F.3d 1059, 1063 (8th Cir. 2000); *Hayes v.*
 9 *Woodford*, 444 F. Supp. 2d 1127, 1132 (S.D. Cal. 2006); *RDF Media Ltd. v. Fox Broad. Co.*, 372
 10 F. Supp. 2d 556, 566 (C.D. Cal. 2005). Accordingly, if there is any doubt as to whether the
 11 allegations may raise an issue of fact or law, the motion should be denied. *See In re*
 12 *2TheMart.com, Inc. Sec. Litig.*, 114 F. Supp. 2d 955, 965 (C.D. Cal. 2000).

13 A. Paragraph 33

14 Defendants seek to strike Paragraph 33 as immaterial, impertinent and scandalous within
 15 the meaning of Rule 12(f), as well as unduly prejudicial.

16 “Immaterial” matter is “that which has no essential or important relationship to the claim
 17 for relief.” *Fantasy, Inc.*, 984 F.2d at 1524. “Impertinent” matter consists of “statements that do
 18 not pertain, and are not necessary, to the issues in question.” *Id.* A “scandalous” matter includes
 19 “allegations that cast a cruelly derogatory light on a party or other person.” *In re 2TheMart.com*,
 20 114 F. Supp. 2d at 965.

21 “The immateriality and impertinence of the [allegations] must be measured by the legal
 22 standard governing copyright infringement.” *Survivor Prod. LLC v. Fox Broad. Co.*, No. CV01-
 23 3234, 2001 U.S. Dist. Lexis 25512, at *7-*8 (C.D. Cal. June 11, 2001). To establish copyright
 24 infringement, Plaintiff must prove: (1) ownership of a copyrighted work, and (2) copying of the
 25 work’s protected elements. *See Brown Bag Software v. Symantec Corp.*, 960 F.2d 1465, 1472 (9th
 26 Cir. 1992). The second element is at issue here. To establish copying, Plaintiff must show
 27 “substantial similarity” to the protected work. *See Shaw v. Lindheim*, 919 F.2d 1353, 1356 (9th
 28 Cir. 1990).

1 Paragraph 33 states:

2 On information and belief, Ms. Ghahremani alleges that Defendants
 3 conduct is part of its strategy to: (1) find commercially successful
 4 products made by seemingly independent artists; (2) copy those
 5 designs; (3) ship those products to the United States; and (4) sell those
 6 products within the United States without properly licensing or paying
 7 any royalties to the original artists. At least two other independent
 8 artists claim to have been infringed in nearly the exact same way.
 9 Defendants' scheme has been well publicized by The Guardian (see
 10 <http://www.guardian.co.uk/artanddesign/2010/feb/11/paperchase-design-hiddenden-e-loise>) and Etsy.com (see
 11 <http://www.etsy.com/storque/reviews/uk-edition-big-brand-copycats-7283/>).
 12

13 In her Opposition, Plaintiff contends Paragraph 33 provides historical background for the
 14 events surrounding this case. Generally, allegations that supply historical background will not be
 15 stricken unless the allegations are unduly prejudicial to the moving party. *LeDuc v. Kentucky
 16 Central Life Ins. Co.*, 814 F. Supp. 820 (N.D. Cal. 1992); see *Impulsive Music v. Pomodoro Grill,
 17 Inc.*, No. 08-cv-6293, 2008 U.S. Dist. Lexis 94148, at *8 (W.D.N.Y. Nov. 19, 2008). However,
 18 “[s]uperfluous historical allegations are a proper subject of a motion to strike.” *Fantasy, Inc.*, 984
 19 F.2d at 1527.

20 Second, Plaintiff contends Paragraph 33 is not immaterial, impertinent or scandalous
 21 because the allegations provide relevant habit evidence in order to recover punitive damages by
 22 proving Defendants' willful infringement. Federal Rule of Evidence 406 states: “[e]vidence of the
 23 . . . routine practice of an organization . . . is relevant to prove that the conduct of the . . .
 24 organization on a particular occasion was in conformity with the . . . routine practice.” Fed. R.
 25 Evid. 406. Rule 406 creates tension with Federal Rule of Evidence 404 because of the difficulty in
 26 distinguishing between admissible evidence of habit and inadmissible character evidence. See,
 27 e.g., *Simplex, Inc. v. Diversified Energy Sys., Inc.*, 847 F.2d 1290, 1290 (7th Cir. 1988) (“We are
 28 cautious in permitting the admission of habit or pattern-of-conduct evidence under Rule 406
 because it necessarily engenders the very real possibility that such evidence will be used to
 establish a party's propensity to act in conformity with its general character, thereby thwarting Rule
 404's prohibition against the use of character evidence except for narrowly prescribed purposes.”).
 To balance these interests, “the offering party [of the habit, or routine practice evidence] must

1 establish the degree of specificity and frequency of uniform response that ensures more than a mere
 2 ‘tendency’ to act in a given manner, but rather, conduct that is ‘semi-automatic’ in nature.”
 3 *Simplex, Inc.*, 847 F.2d at 1293; *see Zubulake v. UBS Warburg LLC*, 382 F. Supp. 2d 536, 542
 4 (S.D.N.Y. 2005). In short, the conduct must “reflect a systematic response to specific situations to
 5 avoid the danger of unfair prejudice that ordinarily accompanies the admission of propensity
 6 evidence.” *Goldsmith v. Bagby Elevator Co.*, 513 F.3d 1261, 1285 (11th Cir. 2008).

7 The Court rejects Plaintiff’s contentions. First, the allegations provide no historical
 8 background between Defendants’ alleged infringement activities and Plaintiff’s owl designs.
 9 Furthermore, Paragraph 33 does not relate to Plaintiff’s claims when measured against the legal
 10 standard governing copyright infringement. More particularly, the articles from the two websites
 11 do not assist a trier of fact in determining Plaintiff’s ownership of the owl designs or Defendants’
 12 copying of those designs. Rather, the articles point to a single incidence of alleged copying over
 13 Defendant Paperchase’s 50-year business history. A single instance falls short of proving “semi-
 14 automatic” conduct, or a routine business practice of the Defendants. Therefore, the allegations
 15 within Paragraph 33 are immaterial to this case.

16 Like the stricken news articles in *Survivor Productions LLC v. Fox Broadcasting Co.*, No.
 17 CV01-3234, 2001 U.S. Dist. Lexis 25512 (C.D. Cal. June 11, 2001),² Paragraph 33 is also
 18 impertinent because the article in The Guardian and blog post “have no possible bearing on the
 19 controversy between the parties.” *Id.* at * 7-8. As found in *Survivor Productions*, inclusion of
 20 Paragraph 33 “lends artificial credence to the opinions contained in the articles, and gives the
 21 appearance that such opinions are legally relevant to the dispute. Such a consequence is
 22 particularly damaging . . . where the articles describe Defendants[] in [a negative light].” *Id.* at
 23 *10-*11. Because the Court finds that Paragraph 33 is immaterial and impertinent for purposes of
 24 Rule 12(f), it does not address whether the allegations are also scandalous, as that issue is moot.

25 Even if this Court found that Paragraph 33 is not immaterial, impertinent or scandalous, the
 26 allegations would be unduly prejudicial to the Defendants. Allegations that cause delay, confusion
 27

28 ² Notwithstanding that *Survivor Productions* is unpublished and not binding on this Court, the
 Court sees no reason to deviate from its well-reasoned opinion.

1 of issues, and unnecessarily complicate proceedings are examples of prejudice that may properly
 2 be stricken. *Fantasy, Inc.*, 984 F.2d at 1528; *see also Cal. Dep't of Toxic Substances Control v.*
 3 *Alco Pac., Inc.*, 217 F. Supp. 2d 1028, 1033 (C.D. Cal. 2002) (superfluous pleadings causing
 4 unwarranted inferences to be drawn by the trier of fact may be properly stricken). Here, citing a
 5 separate, unrelated instance where Defendant Paperchase has been accused of copyright
 6 infringement, without more, would only confuse and unnecessarily complicate the issues between
 7 these particular parties.

8 For the reasons stated above, Defendants' motion to strike Paragraph 33 is **GRANTED**.

9 *B. Count Three (Inducement of Copyright Infringement)*

10 Defendants also seek to strike Count Three as redundant of Plaintiff's contributory
 11 infringement claim.

12 "Redundant allegations are those that are needlessly repetitive or wholly foreign to the
 13 issues involved in the action." *Alco Pac., Inc.*, 217 F. Supp. at 1033; *see also Wilkerson*, 229
 14 F.R.D. at 170 (stating a redundant matter consists of allegations that constitute a needless repetition
 15 of other averments). Courts will strike a claim as redundant when it essentially repeats another
 16 claim within the same complaint. *Lamke v. Sunstate Equip. Co., LLC*, 387 F. Supp. 2d 1044, 1047
 17 (N.D. Cal. 2007). "[T]he possibility that issues will be unnecessarily complicated or that
 18 superfluous pleadings will cause the trier of fact to draw "unwarranted" inferences at trial is the
 19 type of prejudice that is sufficient to support the granting of a motion to strike." *Jacobsen*, 609 F.
 20 Supp. at 935.

21 Regarding the claims in this case, the Supreme Court has observed, "[o]ne infringes
 22 contributorily by intentionally inducing or encouraging direct infringement." *Metro-Goldwyn-*
23 Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913, 930 (2005). Several courts have subsequently
 24 expressed doubt as to whether inducement infringement states a separate claim, or whether it is a
 25 species of contributory infringement. *IO Group, Inc. v. Jordon*, 2010 U.S. Dist. Lexis 47837 at *23
 26 (N.D. Cal. April 16, 2010); *see KBL Corp. v. Arnouts*, 646 F. Supp. 2d 335, 345-46 (S.D.N.Y.
 27 2009); *Capitol Records, Inc. v. NP3Tunes, LLC*, 2009 U.S. Dist. Lexis 96521, at *13-*14
 28 (S.D.N.Y. Oct. 16, 2009). However, as one court put it, "[i]t is immaterial whether the

1 [inducement] theory of liability is a subspecies of contributory . . . liability, or whether it is a
2 separate theory based on inducement. The question is whether it applies to the defendants in this
3 case.” *In re Napster, Inc. Copyright Litig.*, 2006 U.S. Dist. Lexis 30338, at *31 (N.D. Cal. May
4 16, 2006).

5 A complaint is sufficient if it gives the defendant “fair notice of what the . . . claim is and
6 the grounds upon which it rests.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007). More
7 generally, the Federal Rules are designed to minimize technical disputes over pleadings. *Ashcroft*
8 *v. Iqbal*, 129 S.Ct. 1937, 1950 (2009). Regardless of whether the inducement infringement claim
9 is formatted as a subset, or “subspecies,” of the contributory claim or as a separate cause of action,
10 Defendants have been put on adequate notice that Plaintiff pleads all three forms of infringement,
11 i.e., direct, contributory and inducement. Despite the similarity between the contributory and
12 inducement claims, the Court does not find the inclusion of this claim unnecessarily complicated as
13 to lead the trier of fact astray or prejudice Defendants.

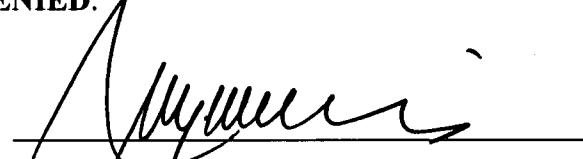
14 In light of the above, the early stages of this case, and the Court’s obligation to determine
15 the motion in the light most favorable to the pleading party, Defendants’ motion to strike Count
16 Three is **DENIED**.

17 CONCLUSION

18 For the reasons set forth above, Defendants’ motion to strike Paragraph 33 is **GRANTED**,
19 and Defendants’ motion to strike Count Three is **DENIED**.

20 **IT IS SO ORDERED.**

21 Date: October 6, 2010



22 Hon. Roger T. Benitez
23 United States District Court Judge
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